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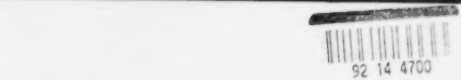

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D. C. 20549

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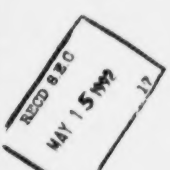

FORM 10-Q

Quarterly Report Under Section 13 or 15(d)
of the Securities Exchange Act of 1934

For Quarter Ended March 31, 1992 Commission File Number 0-7713

EASTOVER CORPORATION
(Exact name of Registrant as specified in its charter)

Louisiana	72-6066263
(State or other jurisdiction of incorporation or organization)	(IRS Employer Identification No.)

300 One Jackson Place 188 East Capitol Street P. O. Box 22728 Jackson, Mississippi	39225-2728
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code (601)948-4091

Former name, former address and former fiscal year,
if changed since last report

Indicate by check mark whether the registrant (a) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

YES X NO

L3Q

1,489,243 shares of beneficial interest (without par value) were outstanding at May 8, 1992, including 345,471 shares held in treasury.

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HARTOVER CORPORATION

FORM 10-Q

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Balance Sheets
(In thousands)

Assets	March 31 1992 (Unaudited)	December 31 1991
Real estate investments		
Real estate company	$ 16,511	$ 16,711
Real estate owned	2,910	2,984
Mortgage loans	77	78
	19,498	19,773
Cash	31	1
Other assets	457	313
	$ 19,986	$ 20,087
Liabilities and Shareholders' Equity		
Liabilities		
Notes payable to bank	$ 4,144	$ 4,241
Note payable to affiliate	100	-
Dividends payable	143	143
Other liabilities	123	84
	4,510	4,468
Shareholders' Equity		
Shares of Beneficial Interest, no par value, authorized - unlimited; issued and outstanding - 1,489,243, including shares in treasury	23,244	23,244
Deficit, including undistributed earnings of real estate company	(1,709)	(1,572)
	21,535	21,672
Less: Treasury shares at cost - 345,471 shares in 1992 and 1991	(6,053)	(6,053)
Unrealized loss on securities	(6)	-
	15,476	15,619
	$ 19,986	$ 20,087

See notes to financial statements

Statements of Income and Deficit
(Unaudited)
(In thousands, except per share data)

	Three Months Ended March 31	
	1992	1991
Revenues		
Equity in earnings of real estate company	$ 94	$ 217
Revenue from real estate owned	557	-
Interest	2	50
	653	267
Expenses		
Real estate owned		
Operating expense	467	-
Depreciation	33	-
Interest	72	96
General and administrative:		
Legal and professional	13	8
Other	64	64
	649	168
Net Income	4	99
Deficit at beginning of period	(1,572)	(1,167)
Dividends declared	(143)	(286)
Deficit at end of period	$ (1,709)	$ (1,354)
Net Income per share	$ .01	$ .09
Weighted average shares outstanding	1,144	1,144

See notes to financial statements

Statements of Cash Flows (Unaudited)
(In thousands)

	Three Months Ended March 31	
	1992	1991
Operating Activities		
Net Income	$ 6	$ 99
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	33	-
Equity in earnings of real estate company	(96)	(217)
Dividends received from operations of real estate company	290	381
Funds from operations	233	263
Changes in operating assets and liabilities:		
Increase in receivables	(88)	(40)
Increase (decrease) in accounts payable and accrued expenses	39	(76)
Cash provided by operating activities	184	147
Investing Activities		
Payments received on mortgage loans	1	-
Improvements to real estate owned	(15)	-
Cash provided by investing activities	(14)	-
Financing Activities		
Proceeds from notes payable to banks	295	513
Principal payments on notes payable to banks	(392)	(384)
Proceeds from note payable to affiliate	100	-
Dividends paid	(143)	(286)
Cash used in financing activities	(140)	(157)
Increase (decrease) in cash	30	(10)
Cash at beginning of period	1	35
Cash at end of period	$ 31	$ 25

See notes to financial statements

Notes to Financial Statements (Unaudited)

(1) Basis of Presentation

The accompanying financial statements reflect all adjustments which are, in the opinion of management, necessary for a fair statement of the results for the interim periods presented. The financial statements should be read in conjunction with the annual report and the notes thereto.

(2) Investment in Real Estate Company

Investment in real estate company consists of:

	March 31, 1992		
Investee	Ownership Percentage	Investment	Market Value
		(In thousands)	
EastGroup Properties	30.92%	$ 16,511	$ 10,485

At March 31, 1992, the Trust's recorded equity in its investment in EastGroup is $173,000 in excess of the Trust's cost.

Condensed unaudited statements of income from which the Trust recorded its equity in earnings of EastGroup is as follows:

	Three Months Ended March 31	
	1992	1991
	(In thousands)	
Revenues	$ 3,302	$ 3,400
Expenses	(2,991)	(2,688)
Net Income	$ 311	$ 712
Equity in earnings recorded by the Trust	$ 96	$ 217

EASTOVER CORPORATION
MANAGEMENT'S DISCUSSION AND ANALYSIS OF
FINANCIAL CONDITION AND RESULTS OF OPERATIONS

FINANCIAL CONDITION
(Comments are for the balance sheet dated March 31, 1992 compared to December 31, 1991.)

Assets of the Trust decreased $101,000 during the first quarter of 1992 to a balance of $19,986,000 at March 31, 1992. Liabilities increased $42,000 during the quarter to a balance of $4,510,000 at March 31, 1992.

During the first quarter of 1992, the Trust recorded equity in earnings of $96,000 from its investment in EastGroup Properties ("EastGroup"). This increase in the investment in real estate company was offset by dividends from EastGroup of $290,000 and an increase in the valuation allowance associated with EastGroup's investments in non-equity method investees of $6,000.

The Trust's investment in real estate owned decreased $74,000 during the first quarter. Following the Trust's December 1991 reclassification of the Ramada Inn mortgage loan investment to real estate owned, which reflected the Trust's "in substance" foreclosure of the property, the Trust funded capital improvements of $15,000 to the property and recorded depreciation expense of $33,000 for the quarter. The Trust also recorded a reclassification of $56,000 from the basis of the hotel to Other Assets, reflecting the property's net current assets at the beginning of the year. The Trust continues to pursue foreclosure of the hotel in the federal court system, but as of March 31, 1992, legal title to the property had not been transferred to the Trust.

Other assets of the Trust increased $144,000 during the first quarter of 1992. Of this amount, $56,000 represents the reclassification of the hotel's net current assets from real estate owned, discussed above. In addition, the Trust recorded a $90,000 receivable from the operations of the hotel for the first quarter. The Trust petitioned the court to allow the property to distribute cash flow from the hotel's current operations to the Trust. As of March 31, 1992, no cash flow had been received from the property.

Notes payable to banks decreased $97,000 during the quarter, while note payable to affiliate increased $100,000. The Trust's $900,000 line of credit with a commercial bank was renewed for $800,000, requiring a $100,000 principal reduction. The $800,000 line of credit has an interest rate of prime plus one and one quarter percent and matures June 10, 1992. The Trust made net advances of $3,000 on the $3,500,000 line of credit with a commercial bank. The note payable to affiliate at March 31, 1992 represents the Trust's $100,000 borrowings from The Parkway Company ("Parkway") under a note agreement dated December 31, 1991. Parkway is a member of the Eastover Group of companies. Interest on the note is due quarterly at a rate of prime plus one percent. The note matures December 31, 1993 and is secured by 16,000 shares of beneficial interest of EastGroup, which had a market value of $220,000 at March 31, 1992.

Shareholder's equity decreased $143,000 during the first quarter, reflecting net income of $6,000, an increase in unrealized loss on securities of $6,000 and dividends declared of $143,000.

RESULTS OF OPERATIONS

(Comments are for the three months ended March 31, 1992, compared to the three months ended March 31, 1991.)

Equity in earnings from the operations of EastGroup for the three months ended March 31, 1992 decreased $121,000 compared to the same period of the prior year. This decrease is partially caused by the sale of three land purchase-leaseback investments and the repayment of a $3,360,000 mortgage note receivable in 1991 which had higher yields than the invested cash proceeds. Real estate properties also reported a decrease in net operating income of $60,000 compared to 1991.

As a result of the December 1991 "in-substance" foreclosure on the Ramada Inn in New Orleans, the Trust recorded revenue from the hotel's operations of $557,000 and operating expenses of $467,000 for the first quarter of 1992. The property reported 69.18% occupancy and $36.80 average daily rate for the first three months of 1992 compared to 46.7% occupancy and $44.80 average daily rate for the first three months of 1991. During 1991, the Trust recorded interest income on the notes collateralized by the hotel of $45,000.

Interest expense decreased $24,000 compared to 1991, a result of lower interest rates on bank borrowings.

LIQUIDITY AND CAPITAL RESOURCES

Dividends from EastGroup and advances on the short-term lines of credit continue to be the major sources of funds for the Trust. Cash dividends paid to shareholders, repayment of advances on the lines of credit and operating expenses account for the major uses of funds.

At March 31, 1992, the Trust had available for general corporate use, two short term lines of credit with commercial banks in the amount of $4,300,000 of which $4,144,000 was outstanding. One of these lines of credit, which had a principal balance of $800,000 as of March 31, 1992, is due and payable on June 10, 1992. The second line of credit, which had a principal balance of $3,344,000 at March 31, 1992, was due and payable on April 29, 1992. Subsequent to March 31, 1992, the Trust renewed the line of credit with a reduced limit of $3,414,000 at a rate of prime plus one and one quarter percent. The renewed line of credit matures June 1, 1992. The lender on the $3,414,000 line of credit insists that the Trust begin making scheduled principal reductions on the debt at that time. Due to the default on the $4,700,000 notes receivable secured by the Ramada Inn in New Orleans during 1991, and the lengthy court proceedings which have followed in an effort to obtain title to the property, the Trust has received no cash from this investment since September 1991. Until the Trust obtains title to the property and is successful in obtaining a mortgage on the property or finding a new buyer for the property, the Trust projects that it will be unable to make the requested principal reductions on bank debt while maintaining its status as a real estate investment trust ("REIT"). Management of the Trust is currently considering options which include:

LIQUIDITY AND CAPITAL RESOURCES - continued

1. Obtaining a new line of credit from another institution or an affiliate of the Trust;
2. Business combination or major transaction with another real estate company;
3. Decreasing or eliminating the payment of dividends which will terminate the Trust's qualification as a REIT or "de-reiting". If the trust terminates its qualifications as a REIT, the Trust would be taxed as a corporation and distributions to shareholders would not be deductible by the Trust in computing its federal taxable income.

EASTOVER CORPORATION

PART II. OTHER INFORMATION

Item 6. Exhibits and reports on Form 8-K

None.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

DATED: May 14, 1992

EASTOVER CORPORATION

BY: _____

N. Keith McKey
Senior Vice-President,
Chief Financial Officer
and Secretary

_____

Sarah P. Clark
Controller